

Division of Healthcare Finance  
 Projected Reserve Calculation: -4% contribution rate in PY2014 & 9.3% out years  
 Medical, Pharmacy, Dental and Vision  
 Date of Projection: 4/15/2013

Plan Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual Factors and Assumptions in PY2012	Projected Factors and Assumptions.....										
<b>Factors and Assumptions</b>												
Interest Rate on Reserves	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Admin/Contract Fee Trend	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Kansas Healthcare cost trend rate	5.0%	6.0%	6.5%	6.5%	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
	HCC Policy Choices in May 2011	HCC Policy Choices by May 2012	HCC Policy Choices by May 2013	Future Policy Choices.....								
<b>Policy Choices</b>												
Employer Contr. % incr. (eff. July 1)	7.5%	0.0%	-4.0%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
Employee Contr. % incr. (eff. Jan 1)	44.0%	0.0%	-4.0%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
Dependent Contr. % incr. (eff. Jan 1)	-7.4%	0.0%	-4.0%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
Direct Bill Contr. % incr. (eff Jan 1)	14.7%	0.0%	-4.0%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
Plan design changes % impact on expenses		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>												
Beginning reserve earning interest	12,017,362	12,030,660	12,181,043	12,333,306	141,570,500	109,900,438	84,901,181	65,744,759	53,688,827	50,150,472	56,724,003	75,200,595
Beginning reserve not earning interest	102,929,048	158,309,374	195,322,523	173,266,509	0	0	0	0	0	0	0	0
<b>Beginning Total Reserve Balance</b>	<b>114,946,410</b>	<b>170,340,034</b>	<b>207,503,566</b>	<b>185,599,815</b>	<b>141,570,500</b>	<b>109,900,438</b>	<b>84,901,181</b>	<b>65,744,759</b>	<b>53,688,827</b>	<b>50,150,472</b>	<b>56,724,003</b>	<b>75,200,595</b>
<b>Projected Cash Flow</b>												
Total Employer Contributions	359,671,841	374,645,719	368,975,666	381,155,353	417,611,761	456,467,518	498,938,522	545,361,147	596,103,061	651,566,144	712,189,666	778,453,769
Total Participant Contributions	130,142,982	124,447,306	115,287,282	118,919,314	127,860,992	137,612,969	148,103,000	159,385,047	171,516,775	184,559,769	198,579,773	213,646,930
Total Contributions	489,814,823	499,093,025	484,262,948	500,074,667	545,472,753	594,080,487	647,041,522	704,746,194	767,619,836	836,125,913	910,769,439	992,100,699
Total Plan Expenses (Claims, ASO fees & contracted expenses)	434,434,498	462,079,876	506,318,962	544,258,149	578,912,445	620,453,500	667,259,209	717,623,936	771,829,301	830,179,264	893,001,897	960,651,302
Interest on Reserves	13,298	150,383	152,263	154,166	1,769,631	1,373,755	1,061,265	821,809	671,110	626,881	709,050	940,007
<b>Net Cash flow</b>	<b>55,393,623</b>	<b>37,163,532</b>	<b>(21,903,751)</b>	<b>(44,029,316)</b>	<b>(31,670,061)</b>	<b>(24,999,258)</b>	<b>(19,156,422)</b>	<b>(12,055,933)</b>	<b>(3,538,355)</b>	<b>6,573,530</b>	<b>18,476,592</b>	<b>32,389,404</b>
<b>Projected Reserve Balance</b>												
Reserve Ending Balance	170,340,033	207,503,566	185,599,815	141,570,499	109,900,439	84,901,180	65,744,759	53,688,826	50,150,472	56,724,002	75,200,595	107,589,999
Target Reserve	50,274,000	52,593,000	56,106,000	59,793,000	63,832,000	68,756,000	74,067,000	79,796,000	85,975,000	92,641,000	99,832,000	107,590,000
Difference between the Reserve Ending Balance and Target Reserve	120,066,034	154,910,566	129,493,815	81,777,500	46,068,438	16,145,181	(8,322,241)	(26,107,173)	(35,824,528)	(35,916,997)	(24,631,405)	0